Digital Trade Policy Dialogue: Latin America

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About ITIF

- Independent, nonpartisan research and education institute focusing on intersection of technological innovation and public policy, including:
  - Innovation and competitiveness
  - IT and data
  - Trade and globalization
  - Life sciences, agricultural biotech, and energy
- Formulates and promotes policy solutions that accelerate innovation and boost productivity to spur growth, opportunity, and progress
- World's top think tank for science and technology policy, according to the University of Pennsylvania’s authoritative *Global Go To Think Tank* Index
New APEC Report

- Title: Fostering an Enabling Policy and Regulatory Environment in APEC for Data-Utilizing Businesses.

- Analyzes how firms use data in different sectors and the impact of certain data-related laws and regulations.

- Sectors: Manufacturing, logistics, AI, encryption, payment services, & ecommerce services.
Latin America and a Data-Friendly Regulatory Framework

- Future focus on digitalization: Value in the global economy will be increasingly digital. E.g. AI, IoT, 3D printing, open data.

- Productivity focus: Success in the digital economy depends in large part on scale.
  - Latin America: Grounded in the region's large Spanish-speaking markets and increasingly connected and tech-savvy businesses and consumers.

- The risk: the opportunity will slip away as economies head in the other direction toward fragmentation.
Framing: Competing Models for Digital Trade

European Union
- Digitally enabled
- Large markets
- Common language
- Innovation-friendly rules
- Interoperability
- Open markets

China
- Digitally enabled
- Large markets
- Common language
- Innovation-friendly rules
- Interoperability
- Open markets

Goal? Economies of scale
Latin America: Some Concerning Digital Trade Policies

- Colombia: (2016) Considered data localization requirements as part of “basic digital services” policy.

- Brazil: (2017) Central Bank considered (then avoided) the idea for data localization as part of cybersecurity policy.

- Mexico/Brazil: economy-specific technical and cryptographic requirements for tax/accounting services.

- Multiple: Using legacy telco/broadcasting regulations to stifle/prevent new over-the-top Internet services.
2018 Report: A Digital Trade Agenda for Latin America

Available electronically (English and Spanish) at www.itif.org.

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Components of a Digital Trade Agenda for Latin America

- Improve trade facilitation for small packages
- Address broader trade facilitation issues
- Establish intermediary liability protections
- Enable the free flow of data
- Centralize spectrum management
- Eliminate tariffs on ICT products
- Provide more open access to service markets
- Avoid regulating platforms and OTT as telecom providers
Other Forums/Mechanisms for Economies from Latin America:

- Bilaterally: E.g. CPTPP language on data flows in Brazil/Chile’s FTA.
- Regionally: Pacific Alliance.
- WTO E-commerce Initiative (local members):
  - Latin America (APEC): Chile, Mexico, and Peru.
  - Central & South America (Non-APEC): Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, and Uruguay.
Thank You!

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